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FOR IMMEDIATE RELEASE:

**BUSINESS GROUP CALLS FOR NATIONAL DIALOGUE ON
TRADE, LABOR, AND ENVIRONMENTAL ISSUES**

CED report argues for wage and health assistance system for displaced workers

WASHINGTON, D.C., JULY 16 – In its new report, *From Protest to Progress: Addressing Labor and Environmental Conditions Through Freer Trade*, the Committee for Economic Development (CED) argues that the United States must renew its commitment to the global trading system and lead the international community in resolving the labor and environmental issues that are blocking its progress. To do so, CED calls on the business community to begin a national dialogue to establish a unified, domestic constituency on trade.

“We need to address the labor and environmental issues that are obstacles to new trade agreements and give the President the trade promotion authority he needs,” said Edmund B. Fitzgerald, former Chairman of Nortel and Co-Chair of CED’s Subcommittee on Globalization.

Enhanced access to global markets has meant better jobs, higher wages, and improved living standards in the United States and increased economic growth and reduced poverty in developing countries.

In recent years, support for trade has suffered from a lack of sustained, high-quality public discussion. The subject has been reduced to sound bites and video clips of street demonstrations. Raising the visibility and changing the tone of the national discourse are critical steps toward building a domestic constituency for further trade liberalization.

“As leaders of the private sector, not only do we have an opportunity, but also a responsibility, to better inform the American public about the far-reaching economic benefits of free trade,” said Paula Stern, President of The Stern Group, Inc. and former Chairwoman of the U.S. International Trade Commission. “It is time to engage the labor and environmental communities in a real and meaningful debate.”

In addition to promoting inter-group dialogue, **the report calls on the Administration and Congress to adopt a system of wage and health assistance** to ease the effects of disruptive economic change on workers who cannot find reemployment at their previous wage. Such a system should apply to all causes of job displacement, including international trade, and be funded from general federal government revenues, not payroll taxes.

Also, the report demonstrates that trade is a part of the solution, not the problem, to worker displacement and other social concerns. “Developing economies open to trade and investment that follow sound economic policies typically enjoy higher wages and significantly better labor and environmental standards, as well as other important, though less tangible goals, like freedom, self-determination, and enhanced quality of life,” the report argues.

KEY RECOMMENDATIONS

- Congress should grant the President authority to negotiate new trade agreements under fast-track rules.
- The relevant national and international bodies should formulate and enforce trade, labor, and environmental policies, and be strengthened through U.S. leadership and funding. Trade issues belong in the World Trade Organization (WTO), labor issues in the International Labor Organization (ILO), and environmental issues in the United Nations Environment Program.
- International economic organizations should increase their openness and transparency. In particular, the WTO dispute resolution process should be opened to public scrutiny.
- The ILO and UNEP should enforce internationally-recognized standards through a menu of economic remedies, which should include positive inducements as well as disciplinary measures such as fines.
- Trade agreements should incorporate the principle that countries will respect international standards and not weaken their existing labor and environmental rules to gain an advantage in international trade and investment.
- Policy makers should avail themselves of bilateral and multilateral trade opportunities, and take incremental and experimental steps to resolve policy conflicts between trade, labor, and environmental issues.
- To reduce worker anxiety about economic change, the United States should adopt a modest system of temporary supplemental wage and health assistance along the lines suggested by the US Trade Deficit Review Commission.

About CED

CED is a non-profit, non-partisan organization of more than 220 business leaders and university presidents. Since 1942, its research and policy programs have addressed the nation's most pressing economic and social issues, including education reform, workforce competitiveness, campaign finance, health care, and global trade and finance. CED promotes policies to produce increased productivity and living standards, greater and more equal opportunity for every citizen, and an improved quality of life for all.

For a full copy of CED's report, please visit www.ced.org.

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